



U.S. Department of Justice
United States Attorney
Eastern District of Wisconsin

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PRESS RELEASE

January 20, 2010

Former Koss Corporation Executive Charged in \$31 Million Dollar Fraud

United States Attorney James L. Santelle announced that a grand jury sitting in Milwaukee returned a six-count indictment charging Sujata Sachdeva (46) of Mequon, who is also known as Sue Sachdeva, with six counts of wire fraud. Ms. Sachdeva is the former Vice President of Finance, Secretary, and Principal Accounting Officer for Koss Corporation, a publicly traded company located in Milwaukee, Wisconsin.

The indictment alleges that Sachdeva used her position at Koss to fraudulently obtain more than \$31 million from Koss, which she used to purchase personal items and pay for personal expenses. According to the indictment, Sachdeva authorized numerous wire transfers of funds from bank accounts maintained by Koss to pay for her American Express credit card bills. In addition, Sachdeva used money from Koss's bank accounts to fund numerous cashier's checks, which she also used to pay her personal expenses. Sachdeva used the money she fraudulently obtained from Koss to purchase personal items including women's clothing, furs, purses, shoes, jewelry, automobiles, china, statues, and other household furnishings. Sachdeva also used the money to pay for hotels, airline tickets, and other travel expenses for herself and others, to pay for renovations and improvements to her home, and to compensate individuals providing personal services to her and her family.

According to the indictment, Sachdeva sought to conceal her fraud by directing other Koss employees to make numerous fraudulent entries in Koss's books and records to make it appear that Sachdeva's fraudulent transfers were legitimate business transactions. Sachdeva directed Koss employees to conceal her fraudulent transfers as well as the fraudulent entries in Koss's books and records from Koss's management and auditors.

Each of the charges against Sachdeva is based on a specific wire transfer of funds from Koss's bank account to American Express to pay for Sachdeva's credit card bills.

The indictment also seeks the forfeiture of property alleged to have been purchased with the proceeds of Sachdeva's fraud should she be convicted in this matter. Among this property is her residence located in Mequon, Wisconsin, a 2007 Mercedes Benz, and clothing, jewelry, art objects, and household items seized from Sachdeva's home and two storage units she maintained in Milwaukee. In addition, the indictment seeks the forfeiture of various items of clothing, jewelry, art objects, and other items currently in the possession of five merchants in the Milwaukee area, as well as a hand-carved door and a vacation ownership interest in a resort property.

According to United States Attorney James L. Santelle “this case is one of the largest embezzlement cases ever brought in this district, and demonstrates the ongoing commitment of this office and the FBI to investigate and prosecute white collar offenses”.

Each count of the indictment carries a maximum possible penalty of up to 20 years in prison and a fine of up to \$250,000. Sachdeva, therefore, faces a total maximum penalty of up to 120 years in prison and fines of up to \$1.5 million, plus forfeiture of the items identified in the indictment and restitution.

This matter was investigated by the Federal Bureau of Investigation and has been assigned to Assistant United States Attorneys Matthew L. Jacobs and Scott J. Campbell for prosecution.

An indictment is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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